hands of those from whom it is collected, have been squandered. The payment of the debt charge merely means that those who came forward with their money when they were asked to subscribe to war loans, have, according to the extent of the effort that they then made, a set-off against the subsequent taxation involved by the war debt. It would have been a much simpler and more businesslike proceeding to have taken, instead of borrowing, a much larger proportion of the war's cost during the war; but it is too late now to rub in this platitude which is now pretty generally admitted. Mr Hoafe showed in last month's Journal that the creation of the War Debt has caused a huge addition to what he has called Rente—the gross income of the propertied classes; and there is much logic in his contention that this income is the source from which the debt charge should be met. At the same time both justice and economic expediency seem to demand that his wider interpretation of Rente, to make it include the earnings of those whose special qualifications (or, we may add, special luck) put them in a position to earn more easily than the struggling majority, should be applied to taxation involved by the debt charge.

How, then, shall we deal with the debt ? In the first place we want a good Sinking Fund—1 per cent, at least—and all realisations of assets in the shape of

loans repaid, ships, etc., sold, should be used for reduction of our foreign debt. For the home charge we want a special form of income tax that will fall as lightly and indirectly as possible on industry; that